

KENYA CROPS AND DAIRY MARKET SYSTEMS

The Kenya Crops and Dairy Market Systems (KCDMS) is a five-year USAID program designed to increase agricultural production and reduce poverty and malnutrition in Kenya by spurring competitive, inclusive, and resilient market systems in the horticulture and dairy sectors.

The agricultural sector is the backbone of the economy, contributing approximately 33 percent of Kenya's Gross Domestic Product, but producers continue to face constraints that limit growth and perpetuate food insecurity. The program partners with private sector actors to transform agricultural market systems, create an enabling environment for businesses to thrive, and encourage government-level reforms that encourage investment.

Strategy

Through a private sector-driven approach, this program uses a variety of incentives, capacity building, and practices to stimulate market players to invest in productivity, financing, and business relationship enhancing improvements. KCDMS also leads interventions to improve nutritional outcomes and strengthen the capacity of county governments to facilitate agricultural sector growth. In turn, these efforts ensure that county and national level policy dialogue is grounded with business association needs and market intelligence, which facilitates a more inclusive business and investment enabling environment at all stages of target value chains. KCDMS also facilitates market linkages in domestic, regional, and international markets for more competitive value chains. During the COVID-19 pandemic, KCDMS redirected investments to ensure the functioning of local markets, working with agri-businesses to conduct outreach to smallholders through widespread radio messaging to foster continued production and increase access to inputs during the pandemic. In addition, the program worked with key business development services providers to assist farmer cooperatives on business development.



Workers at the Nuru Social Enterprises factory producing yogurt cups with their new packaging machine, which was purchased in partnership with KCDMS.

Objectives

To address these challenges and improve the overall agricultural landscape, KCDMS supports five priority areas:

- A competitive, inclusive, and resilient agricultural market system
- Diverse agricultural production and improved productivity
- An improved policy environment for market systems development
- Integration of youth and women in agricultural market systems
- Joint learning for market systems changes and technology adoption

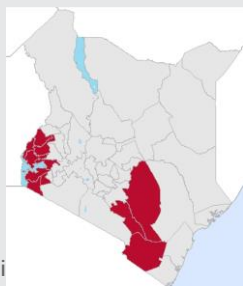
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Duration

2017–2022

Focus Areas

High-rainfall counties in western Kenya and semi-arid counties in eastern Kenya



Counties: Kitui, Makueni, Migori, Kisii, Kisumu, Siaya, Kakamega, Bungoma, Busia, Vihiga

Focus Value Chains

Dairy and Horticulture (mango, passion fruit, avocado, banana, pineapple, and sweet potato)

Implementing Partner

RTI International

Key Partners

Busara Center for Behavioral Economics
East Africa Market Development Associates (EAMDA)
Farm Input Promotions Africa (FIPS)
International Livestock Research Institute (ILRI)
Making Cents International
Open Capital Advisors (OCA)

Market System Policy Development

Kenya's path toward sustainability is contingent on moving away from the elite capture and cartels that inhibit competitiveness and market efficiency, toward a vibrant, competitive, and inclusive private sector, especially for women and youth. KCDMS provides policy support at the national, regional, and county level to increase private-sector investment in focused commodities for inclusive agribusiness growth. KCDMS also provides functional analyses of Kenya's agricultural sector at the national, intergovernmental, and county levels. These assessments focus on identifying the organizational institutional and human resource capacities needed to enable the agricultural sector to deliver its national mandate, and in line with the Constitution and the Agriculture Sector Transformation and Growth Strategy goals.

Competitive & Inclusive Agriculture

Policy development grounded in the private sector's voice and facilitated through a true partnership between the national and county governments will unlock investment opportunities for smallholder farmers and micro, small and medium enterprises (MSMEs). KCDMS is mobilizing innovative financing and insurance packages—working alongside county governments and financial institutions, as well as increasing agricultural growth through direct private sector investment and mobilizing cost-share contributions from private sector partners.

Key Achievements (2017 - 2021)

Working jointly with over 4,000 local partners and 12 county

governments, KCDMS has achieved the following:

- Over 215,000 individuals (11% youth and 55% women) supported with increased access to agricultural markets and services.
- Partner agri-businesses have hired 7,896 employees to date.
- U.S. commitments and grants have leveraged \$18.4 million in private sector investments.
- Partner firms and farms have generated sales worth \$52 million of agricultural produce and inputs.
- Co-created and implemented annual work plans with the 12 partner county governments to help build an enabling environment for county-level private sector investments.
- Almost 175,000 individuals have adopted improved technologies and management practices.

USAID Contact

Harrigan Mukhongo
Agreement Officer Representative
hmukhongo@usaid.gov

Implementer Contact

Robert Mwadime (PhD)
Chief of Party
info@kcdmsd.rti.org

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